



AWBA DRAFT POLICY

Water Market Transparency

Last updated - 11 October, 2019

The water markets of the Southern Connected system in the Murray Darling Basin are the most highly traded and sophisticated water markets in the world. The state water registers of New South Wales, Victoria and South Australia record and report all allocation and entitlement trades in the Southern Connected System, providing transparent trading data.

The AWBA acknowledge that the water market has innovated at a pace that the state water registers have not been able to keep pace with, this has resulted in some reduction in transparency due to significant price divergence between alternative water market products.

The AWBA believe that the onus of water market transparency sits with Government, specifically the state water registers.

The AWBA have long been advocates for improved transparency and have discussed ways in which the state water registers could improve their data collection and subsequent reporting to provide additional and meaningful information to the market.

The AWBA would like to see recorded values mandated for all allocation and entitlement trades and for zero dollar trades to be appropriately coded on the water register.

The AWBA would like to see secondary water market products such as In-season Forward Allocation, Inter-season Forward Allocation, Entitlement Lease, Carry-Over etc, noted against the associated allocation trades.

AWBA members recognise that we have a part to play in market transparency, in so far as ensuring that the information presented on our own websites and marketing material is current and maintained in a timely fashion.

The AWBA would like to see consistency in Water Authority fees, currently South Australia is nearly 6 times the expense of Victoria and New South Wales for an allocation trade.

The AWBA would like to see improved transaction approval timeframes noting that; Victoria is the gold standard for allocation trades (instantaneous), South Australia is the best on entitlement trades (two weeks).

The AWBA would like to see improved transparency with regard to the way that allocations and outlook statements are made, especially in New South Wales.